CONSTRUCTIVE NOTICE. — The purchaser of the *res* of a trust with notice takes subject to the trust. And notice may be actual or constructive. In the case of *First National Bank* v. *Broadway Bank*, New York Law Journal, Oct. 12, 1898, a pledgee of stock certificates knew that his pledgor was a trustee but did not know, though he could easily have ascertained, that the pledge was a violation of the trust. After default by the pledgor, he put the certificates up at public sale and bought them in himself. The New York Court of Appeals decided that, though he had no direct information, yet he had constructive notice of the trust; for the facts were such as, in reason, would have put him upon inquiry which would have resulted in discovering the violation by the trustee. The decision seems correct. The same rule would probably be adopted in most of the American courts, and is the law in England since the Conveyancing Act of 1882. It is not likely to depart a great way from substantial justice and is, perhaps, no longer to be quarrelled with.

Yet it is too handy and sweeping a statement, — according to it a mere blunderer who failed to investigate where a reasonable man would have investigated, has constructive notice of what he would have found. But the whole doctrine of notice seems to rest on the idea of fraud, that a purchase with notice is not *bona fide*. The blunderer has done no fraud, — where is the equity against him? The general doctrine should be applied as consistently here as it is in regard to transfers of negotiable paper. If it be carried out logically, the cases of constructive notice may, as suggested by Vice-Chancellor Wigram in *Jones* v. *Smith*, 1 Hare, 43, 55, be divided into three classes: cases where the purchaser's agent had notice, cases where there was wilful deafness to notice, cases where the purchaser had notice of some incumbrance on the ownership of his vendor but failed to make proper inquiry into the nature of the incumbrance. In the last class there seems a disregard of the rights of possible *cestuis* so reckless that it is inconsistent with a *bona fide* purchase. Is is clear that the facts of the principal case showed constructive notice according to this class, as in *Shaw* v. *Spencer*, 100 Mass. 382; *Duncan* v. *Jaudou*, 15 Wall. 165. In the course of a long series of decisions the New York courts, which at first strictly adhered to the test that there must be taint of fraud, have gradually lost sight of that fundamental proposition. The resultant error is, perhaps, one of definition rather than substance; yet the principle is blurred and the juryman's standard of the "reasonable man" introduced into equity.

RECENT CASES.

AGENCY — UNAUTHORIZED CONTRACT — RATIFICATION. — Plaintiffs' broker, without disclosing his principals, sold certain stock for them to defendants, at a price unauthorized by plaintiffs. A month later he tendered the certificates of stock, but defendants refused to take them. *Held*, that plaintiffs cannot hold defendants on the agreement, because, the contract being unauthorized, defendants could not have held plaintiffs. *Clews* v. *Jamieson*, 89 Fed. Rep. (Cir. Ct., Ill.).

The court seems to ignore the doctrine of ratification, and on the statement of facts it is impossible to say when plaintiffs decided to enforce the contract. The tender of the stock certificates by the broker so long after the sale would indicate that probably plaintiffs had then elected to ratify, and gave the broker the certificates to convey them to defendants. If they did so elect before defendants withdrew their assent to the con-